

## **OPEN ENROLLMENT GUIDE – 2012**

**REMEMBER: YOU are responsible for learning about the 2012 benefits program and making informed decisions for you and your family members.**

# OPEN ENROLLMENT GUIDE – 2012

Each year, you need to review your benefit programs to make informed decisions for the next calendar year. There are several enhancements and changes that you need to understand to make your choices.

**2012 Open Enrollment Period: Monday, October 17 through Friday, November 4, 2011.**

Highlights of the 2012 benefit program changes are:

## Plan/Cost Changes:

- See Rate Sheet for changes in Health insurance cost.
- Traditional Dental coverage insurance will have a 0% increase in cost.
- Preferred Dental insurance will have a 0% increase in cost.

## GENERAL INSTRUCTIONS:

- You must submit any enrollments or changes on or before 5 PM, **Friday, Nov. 4, 2011**. Forms cannot be accepted after Open Enrollment ends.
- **All changes and new enrollments require completion of some form!** Check with Human Resources if you need a form or are unsure about what form to complete. If you want to **add dependents**, you must also meet with a Payroll representative in HR. Most forms will also be available at the meetings or may be printed off the Portal or the [www.wichita.gov](http://www.wichita.gov) site.
- If you do not complete and return a form, HR will assume that you want to **continue with your current coverage** in the following plans: **health insurance (medical/prescription/ vision); dental; and basic/dependent life**. You do not need to re-enroll in these plans.
- You must re-enroll each year in the **Flexible Spending Accounts** (medical and dependent care). If you do not re-enroll for 2012, you will not have FSA coverage.
- If you are a **new Enrollee or wish to ADD family members** to any of your coverages, dependent documentation must be provided. You must provide the required dependent documentation to HR by November 4, 2011. (See the Dependent Documentation Section for what documentation is acceptable, and for how to document student status for the dental plan.)
- You will not have another opportunity to enroll/drop coverage or make changes until the next Open Enrollment unless you have a “qualifying event” during 2012. A list of qualifying events is available from HR or on the City of Wichita Portal Site.

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Open Enrollment documents have been posted on the Portal and the [www.wichita.gov](http://www.wichita.gov) site.

# HEALTH INSURANCE

## Medical, Prescription Drug and Vision

**COVENTRY HEALTH CARE** will continue as the administrator for medical benefits.

The current level of coverage will continue under the **Premium Wesley Preferred PPO** and the **Select Wesley Preferred PPO**.

**Please refer to the Plan comparison sheet included in this packet to determine the level of coverage that you would like to select.**

The plan design for both plans is very similar. Employees electing coverage in the Select plan will have a deductible, higher copays, and more instances of coinsurance (cost sharing). In both plans, you do not need to select a specific primary care physician. You may see any doctor you choose, including specialists, but you will receive the highest level of benefits from an in-network provider. Out-of-network Chiropractors are not covered.



***There are significant out-of-pocket costs of using non-network providers, so make sure any provider you use is in network (unless you really want to pay the significant cost of a non-network provider).***

**PRESCRIPTION DRUG PLAN** Express Scripts Inc. will continue to be the Prescription benefit administrator for 2012.

**VISION SERVICE PLAN (VSP)** will continue to be included as a part of both Health Plans in 2012

**If you want to enroll in or drop out of the health insurance plan, change Plans, or add/drop dependents,** you must complete an enrollment form and the attached Cafeteria Plan form, by 5 PM, Friday, Nov. 4, 2011. **If you want to remain at your current coverage level** (Single or Family), you do not need to do anything; it will carry over into 2012.

Please remember that dependents may remain under your health, vision and RX coverage until age 26, regardless of student status.

The new deductions will begin on the December 2, 2011 paychecks. New or changed coverage will be effective on January 1, 2012.

# **FLEXIBLE SPENDING ACCOUNTS (FSAs)**

**Open Enrollment is the only time you may enroll in this tax-saving program!** ASI will continue to administer the Health Care FSA and Dependent Care FSA in 2012. Information explaining the tax advantages of the FSAs, which actually increase your take-home pay and reduce expenses you would be paying for anyway can be found on the Portal or on the [www.wichita.gov](http://www.wichita.gov) site.

**IMPORTANT NOTE FOR CURRENT FSA PARTICIPANTS: IF YOU WANT TO CONTINUE PARTICIPATION IN 2012, YOU MUST RE-ENROLL.** Your current FSA election will NOT carry over automatically. If you do not re-enroll, your participation will end on December 31, 2011.

Deductions for 2011 enrollment will continue through December. Deductions for 2012 FSAs will start on January 13, 2012.

**Here's an overview of how the FSAs work:**

- ❖ First, estimate the total qualifying expenses you expect to have in 2012.
- ❖ Then, divide the total expenses by 26 paydays to get the deduction needed to reach the yearly total (minimum and maximum deductions apply – see the end of the FSA section).
- ❖ **PLAN CAREFULLY:** The IRS requires that any money left in FSAs at the end of the year cannot be carried over or reimbursed (also called “use it or lose it”). Do not put money in either account if you are not sure you will need it for a qualifying expense during 2012
- ❖ Be sure to **return your completed enrollment form by Nov. 4, 2011!**
- ❖ After you incur an eligible expense in 2012, file a claim and the required receipts with ASI to be reimbursed from your account.
- ❖ **All FSA items must be prescribed.** You cannot purchase over-the-counter items with your FSA unless you can provide proof of a prescription. You only need to obtain one prescription for the year for each over-the-counter medication you need to purchase.
- ❖ **The maximum amount you may elect for your FSA medical account is \$7,500.00**

You may enroll in either the Health Care FSA or the Dependent Care FSA or BOTH, a brief description follows.

## **Health Care FSA – use this account for UNREIMBURSED medical and dental expenses**

- ❖ **What's Eligible?** Most medical, prescription drug or dental expenses not covered by health or dental insurance are eligible. For example:
  - medical, prescription drug and dental copays and deductibles
  - hearing aids
  - orthodontics and other non-covered dental expenses
  - many **over-the-counter medications (OTC)**, such as those for allergies, smoking cessation or colds, aspirin, some vitamins (certain conditions apply to the OTC feature, see HR for the more detailed flyer). **Please note, you must obtain a prescription for these items before purchase.**
- ❖ **How Am I Reimbursed?** From your Health Care FSA account you may be reimbursed for expenses up to your total annual amount, even if an expense temporarily "overdraws" your account.

Example: Assume you elect to have \$500 deducted for your Health Care FSA. In March you incur

an eligible expense for \$500. You can be reimbursed for the **entire** \$500 in March, even though you do not have the entire amount in your FSA. Your payroll deductions will continue through the rest of the plan year until your deductions equal \$500.

**Dependent Care FSA – Use this account for qualifying Child/Other Dependent Care expenses.**

- ❖ **What's Eligible?** Qualifying child care (day care) expenses and expenses incurred in caring for other dependents (e.g., an adult dependent). Certain rules apply; contact HR for the detailed booklet.
- ❖ **How Am I Reimbursed?** In the Dependent Care FSA, you cannot be reimbursed for more than your current account balance.



Example: Assume you elect to have \$2,600 deducted for your Dependent Care FSA. In January you incur an eligible day care expense of \$300, but you have only contributed \$200 to your FSA. You can be reimbursed for the \$200 in your account and the remaining \$100 will be reimbursed when your next payroll deduction is taken.

**Other FSA Features:**

Debit Card- An optional debit card method is available to participants in the Medical Flexible Spending Plan. Use the card at most large pharmacies and retailers to immediately access your funds without having to send in receipts. This is the most convenient method of using your Medical FSA.



**2012 Minimum and Maximum FSA Deductions**

FSA Account	Minimum Deduction	Maximum Deduction
Medical FSA	\$130 per year (\$5/ payday)	\$7,500 per year (288.46/ payday)
Dependent Care FSA	\$130 per year (\$5/ payday)	\$4,992 per year (\$192/ payday)

The rules for making mid-year changes are the same as for the Cafeteria Plan (see page 8).

# DENTAL PLANS

DELTA DENTAL PLAN OF KANSAS will continue to be the carrier for the **Delta Traditional** and **Delta Preferred** plans in 2012.

The dental plan now has an enhanced benefit for members who receive regular dental cleanings and exams. To receive the Incentive Level, you must have had a cleaning within the last six months, unless you are a new enrollee in the plan.

## Base Level:

Plan pays 100% of cleanings and exams (covered once every 6 months)

Plan pays 60% of basic services (e.g., fillings, root canals)

Plan pays 40% of major services (e.g., crowns, partials)

Plan pays 50% of braces – **TRADITIONAL PLAN ONLY**

## Incentive Level (if

Benefits increase if the member receives an exam and/or cleaning at least one time in 12 months

Plan pays 100% of cleanings and exams (covered once every 6 months)

Plan pays 80% of basic services (e.g., fillings, root canals)

Plan pays 50% of major services (e.g., crowns, partials)

Plan pays 50% of braces – **TRADITIONAL PLAN ONLY**

## Costs

The premium for both plans will **not change in 2012**.

Dental Plan	Monthly Premium
<b>Traditional Plan</b>	
Single	\$30.34
Single + 1 <small>Orthodontics only offered on Traditional Plan</small>	\$60.70
Family <small>Orthodontics only offered on Traditional Plan</small>	\$101.38
<b>Preferred Plan</b>	
Single	\$19.50
Single + 1	\$37.06
Family	\$64.54

If you want to enroll in, drop out of either dental plan, change from one plan to the other, or add/drop dependents, you must complete a form by Nov. 4, 2011 (forms are available from HR, the Portal or [www.wichita.gov](http://www.wichita.gov)).

*For example, if you have a young (2-3 year old) child you did not add to dental at birth, now is the time to do so. You may add children up to age 19. Children may be covered from the ages of 19 – 23, but only with proof of full-time student enrollment. If you do not add your children during Open Enrollment, you will not be able to add them during the year unless you experience a qualifying event!*

**Adding a child to health insurance does not do it for dental.**

If you want to remain in either plan at your current coverage (Single, Couple or Family), you do not need to do anything; your current coverage will carry over into 2012.

### **Your Dental Options**

**Delta Traditional Plan** - higher premium because you may use any dentist. **Participating dentists** accept Delta allowances for the services provided, so you know what your responsibility will be. If you use a **nonparticipating dentist**, Delta will reimburse you directly for what the plan covers. You have the responsibility to pay the nonparticipating dentist for any difference between his/her charge and the Delta allowance.

**Delta Preferred Plan** - lower premium because the smaller network of dentists accepts lower payments from Delta. **You must use a dentist from the Delta Preferred list or you will have no coverage.** Make sure that your dentist is in this plan network and will continue to be in 2012. (Be sure to refer to "Delta Preferred," not just "Delta"). The Preferred Plan does not have any Orthodontic coverage.

### **More Dental Information**

Dentists lists for both plans are available from the Delta Dental website. **Be sure you use the correct list for the plan you enroll in**, particularly for Delta Preferred.

Neither plan includes complete coverage for the cost of orthodonture. (Try a Flexible Spending Account for orthodontic expenses.)

These premiums will start with the December 2 paycheck. New and changed coverage is effective January 1, 2012.

To enroll in a dental plan, get the form from HR, the Portal, or the [www.wichita.org](http://www.wichita.org), or by attending a meeting. Be sure to fill it out completely and turn it in to HR by November 4, 2011 with the attached Cafeteria Plan form completed. Be sure to use the correct enrollment form for the plan you want.

## **PREMIUM-ONLY CAFETERIA PLAN**

Everyone who has health and/or dental coverage may participate in the Premium-only Cafeteria Plan. This deducts your premiums **before** taxes, reducing your taxable income and increasing your take-home pay. The Cafeteria Plan is not a separate insurance plan.

If you are in the Cafeteria Plan and want to stop it, or if you are not in the Cafeteria Plan and want to start, you must make the change during Open Enrollment. The form is available from HR.

If you already have pre-tax deductions for health and/or dental insurance now and want to continue, **you do not need to do anything during Open Enrollment**. If there's a "125" by the deduction on your pay stub, you are already in the Cafeteria Plan. If you enroll in the health or a dental plan, you need to complete the Cafeteria Plan form attached to the enrollment forms.

IRS regulations restrict changes you can make in a Cafeteria Plan during the year. Any change that affects the amount of your pre-tax deduction can only be made if it is because of a "qualifying family status change," and you make the change with HR within 60 days after this "qualifying event." These include divorce, marriage, birth, adoption, death, a change in a spouse's employment affecting benefits, and others. These rules also apply to Flexible Spending Accounts.



## **LIFE AND AD&D INSURANCE**

The City has changed Life Insurance carriers. The Standard will now be the carrier for the Basic Life/AD&D and Dependent Life and Additional insurance. The employee premium contributions in all current plans will decrease. See The Standard Life Plan Summary on the Portal, on the [www.wichita.gov](http://www.wichita.gov) site, or request one in HR.

***The Standard has agreed to a “guarantee issue” period for all active employees in the Basic Life insurance plan (2X your salary) and for 1X your salary in Additional Life insurance! To receive this benefit, you must turn in all forms to HR by Friday, November 4, 2011. After this date, you will be subject to Evidence of Insurability standards to receive coverage.***

### **BASIC LIFE, AD&D AND DEPENDENT LIFE**

If you are already enrolled in the Basic Life plan, with or without Dependent Life, **you do NOT have to re-enroll to continue your coverage in 2012.** Approximately 2/3 of this premium is paid by the City. The Standard rates for coverage are:

PRODUCT	BENEFIT	EMPLOYEE COST
Basic Life	2X Annual Salary up to a Maximum of \$600,000	\$0.030 per \$1,000 coverage per month
Basic AD&D	Equal to the amount of basic life benefit	\$0.005 per \$1,000 coverage per month
Dependent Life Spouse Child	\$4,000 \$4,000 from date of live birth	\$0.28/month/family
Voluntary AD&D	\$25,000 to \$500,000 in increments of \$25,000	Employee - \$0.021 per month Family - \$0.031 per month

### **ADDITIONAL TERM LIFE INSURANCE FOR EMPLOYEES**

This program allows you to elect additional term life insurance coverage. This is a voluntary program; you pay the full cost, but at low group rates. ***The Standard is offering City of Wichita active employees a “guarantee issue” period that will last through Open Enrollment of 1X their salary. If you do not turn your forms in by 5:00 PM on Friday, November 4, 2011, you will not be eligible for the guarantee issue.***

- You must be enrolled in the Basic Life plan to be eligible for the Additional Life plan.
- You can elect **1, 2, 3 or 4 times your annual salary**, up to a maximum of \$1,000,000 (combined maximum with Basic Life). Dependent coverage is not available.
- During this 2012 Open Enrollment, you can elect up to **4 times your salary by providing proof of good health (“evidence of insurability”)**. In addition to the Enrollment form, you must complete the Evidence of Insurability (EOI) form. No coverage subject to EOI will be effective or deductions taken until approval is received from Minnesota Life.

- The Additional coverage is **portable** – you can take it with you if you leave City employment (if you are under age 69 and are actively at work at that time.) The coverage that you “port” is the same coverage you had as an active employee. The cost for ported coverage will be higher than the active employee cost, but it will be much lower than the cost of a conversion policy.
- The cost of Additional coverage is based on your age and the amount of insurance you elect (see below for the 2012 rates).

### **Accidental Death and Dismemberment Insurance**

Benefit amount available from \$25,000.00 to \$500,000.00. If bodily injury result in the Death, Dismemberment, or Paralysis of an employee or covered family member ADD will provide benefit.

The following are the 2012 Basic Life, Dependent Life, Voluntary AD&D and Supplemental Life premiums. **You may change, enroll in or drop out of these plans at any time**, subject to medical approval; except for the Voluntary Accidental Death and Dismemberment plan, which does not require an Evidence of Insurability for enrollment.



### **2012 Additional Term Life Insurance Employee Premiums**

PRODUCT	BENEFIT	EMPLOYEE COST
		Cost per \$1,000 per month
		Age Cost
Additional Life	1,2,3 or 4 times employee's annual salary up to a maximum of \$1,000,000 (maximum combined Basic Life and Supplemental Life)	Under 25 ..... \$0.062
		25-29 ..... \$0.073
		30-34 ..... \$0.094
		35-39 ..... \$0.104
		40-44 ..... \$0.125
		45-49 ..... \$0.177
		50-54 ..... \$0.281
		55-59 ..... \$0.520
		60-64 ..... \$0.801
		65-69 ..... \$1.529
		70+ ..... \$2.486
Rate guarantee		3 Years

### **Accidental Death and Dismemberment**

PRODUCT	BENEFIT	EMPLOYEE COST
Voluntary AD&D	\$25,000 to \$500,000 in increments of \$25,000	Employee - \$0.021 per month Family - \$0.031 per month

# **VOLUNTARY LONG TERM DISABILITY (LTD) INSURANCE**

The Standard's Long Term Disability Insurance benefits begin to pay after an employee has been disabled for 90 days. This plan will pay up to 60% of a persons salary for the length of the disability following the 90 exclusion period. Employees may elect to have a lower benefit amount. Employees will need to submit an Evidence of Insurability Form with their application for Voluntary Long Term Disability.

Long Term Disability 2012 Premium	
Age Band	Per Thousand
Under 30	\$0.129
30-34	\$0.210
35-39	\$0.363
40-44	\$0.525
45-49	\$0.775
50-54	\$1.203
55-59	\$1.631
60-64	\$1.655
65-69	\$1.445
70+	\$2.576

## **OTHER PROGRAMS NOT AFFECTED BY OPEN ENROLLMENT**

Detailed information, including enrollment forms, for these plans is available from HR.

**Deferred Compensation Investment Program** - You may enroll in, drop out of or change your investments at any time.

### **What is a 457 deferred compensation plan?**

A governmental 457(b) deferred compensation plan (457 plan)<sup>1[1]</sup> is a retirement savings plan that allows eligible employees to supplement retirement and pension benefits by saving and investing through a voluntary salary contribution. Starting October 17, 2011, contributions can be invested on a pre tax or post-tax (Roth) basis. Earnings on pre-tax contributions are tax-deferred until money is withdrawn. Earnings on post-tax (Roth) contributions are tax-free contingent upon qualified distribution rules. Please contact Mike Roy, the City's Great-West Retirement Services® representative, at 268-4551([mike.roy@gwrs.com](mailto:mike.roy@gwrs.com)), or visit [www.wichita457.com](http://www.wichita457.com), for more information.

### **Why should I participate in the Plan?**

You may want to participate if you are interested in saving and investing additional money for retirement and/or reducing the amount of current state and federal income tax you pay each year. Your City of Wichita 457 Deferred Compensation Plan can be an excellent tool to help make your future more secure. You may also qualify for a federal income tax credit by participating in this Plan. Please contact Mike Roy, the City's Great-West Retirement Services® representative, at 268-4551([mike.roy@gwrs.com](mailto:mike.roy@gwrs.com)), or visit [www.wichita457.com](http://www.wichita457.com), for more information.

**Long-term Care Insurance (UNUM)** - This plan provides coverage for in-home, assisted living, or nursing home long-term care. You may choose various lengths of time, monthly benefit amounts, and other features. Medical information must be provided, so you or other family members may be denied coverage based on medical conditions.

**Learning Quest** - This State of Kansas program offers an excellent opportunity to invest for education expenses for you, your children or anyone else. It is managed by American Century. Although not a City program, you may make your contributions by payroll deduction. Contact Learning Quest at 1-800-579-2203, or at [www.learningquestsavings.com](http://www.learningquestsavings.com).

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<sup>1[1]</sup> All references to the 457 Plan are to a governmental 457(b) plan.